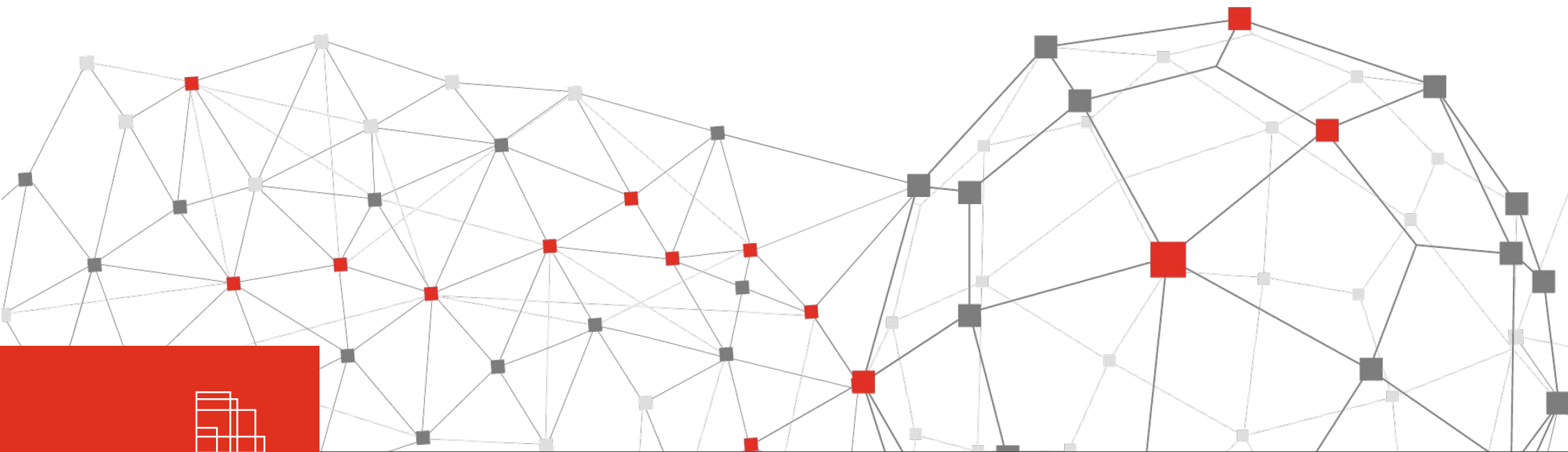


# COVID-19

## Business response

How are businesses responding with **purpose** to COVID-19?



## Objectives of this document:

- Provide an overview of what purpose is and how it can be particularly valuable during the current COVID-19 outbreak
- Provide examples of companies' purpose-driven responses so far
- Explore how COVID-19 provides an opportunity to think more strategically, driven by purpose
- Briefly look at some areas where PwC can support on this.

# Contents

What is purpose, and purpose in times of crisis	1
Short term and long term value of purpose	3
Companies reacting with purpose	4
The opportunity for the future	6
How can we support	7
Appendix	9

# What is Purpose?

The concept of 'purpose led business' has been growing in recent years, even before the COVID-19 pandemic brought it further up the agenda. Discussions around purpose can be started from top down or bottom up within a business and used to solve a wide range of problems. C Suite and Boards often seek support on this topic to address the challenge associated with driving their business through a purpose lens.

## What is Purpose?



Purpose is an organisation's **reason for existing beyond just the financial**. It sets out why the organisation matters, building on its core, differentiating capabilities, and articulates the value of the organisation to **wider societal stakeholders**. It creates value for both shareholders and stakeholders and is **core** to what the company does, a lens around every decision a company makes.



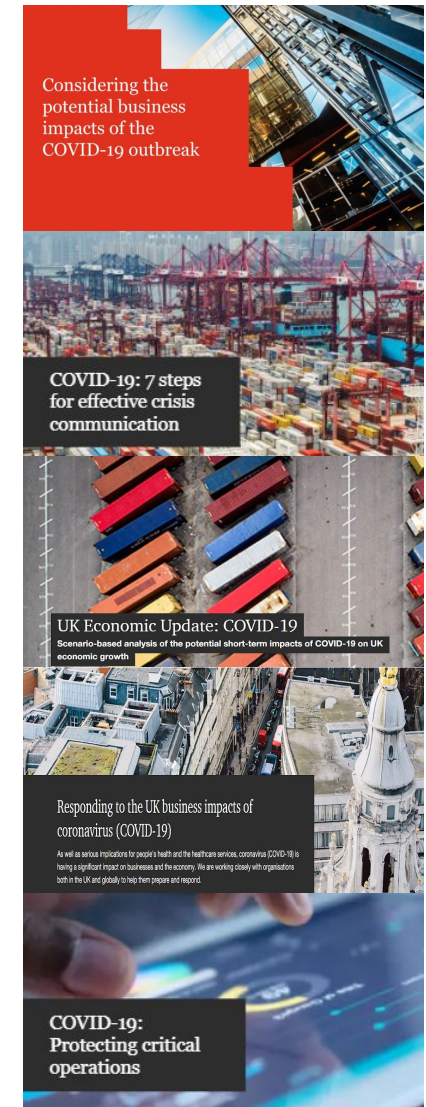
Purpose has recently gained **significant momentum**, influencing the thinking of customers, businesses and investors. This is reflected in the UK Corporate governance code, US Business roundtable, key themes at Davos and increasing numbers of companies becoming 'purpose-led' – most recently BP and RBS.



Organisations that engage with purpose successfully tend to **realise value**, through: improved decision-making, more motivated employees, improved customer relationships and brand, better investor relations, and managed regulatory risk

# Purpose in times of crisis

- COVID-19 has thrust the relationship between companies, government, society and the public into the spotlight more than ever before. Businesses have a role in maintaining critical infrastructure needs under significant strain, they're a channel for critical public health messages, and are enabling the implementation of health and economic recovery policies. There's also increased expectation on businesses proactively solving (and not growing) challenges arising from the pandemic. So purpose is no longer a choice – it's here whether you like it or not.
- At the same time, with crisis comes opportunity in the longer term. Current disruption is unprecedented in recent years, but this also provides businesses a platform to transform: to define the organisation for the future, to resolve long-standing issues, to refresh business and operating models, with purpose acting as a guide for key decisions. This needs to be carefully managed and communicated, but can create a realigned, future-proofed organisation.
- A purpose-led approach to this crisis allows companies to navigate the short term concerns whilst building the foundations for the long term.



# Clarity of purpose can drive value in the short and long term

COVID-19 brings a flurry of critical things to address such as cash flow, supply chain, delivery channels and workforce management. For some businesses, particularly in highly impacted sectors, the pandemic is bringing existential issues.

So why on earth with that backdrop would purpose get on the agenda?

In fact, it's that very flurry of critical decisions that is a key reason for purpose to be paramount. In a time of stress, poor decisions can be made, unintended consequences created, knee-jerk actions eroding value several years down the line. There is immense value in companies understanding of how they're defining their purpose and using it as a 'North star' for their crisis-response mode, and for their long term planning, with significant benefits:

## Short term: 2-6 months

### Key Benefits of considering purpose during crisis

- 1 Maintain and enhance brand
- 2 Develop culture and employee engagement
- 3 Strengthening relationships with external stakeholders

## Medium to long term: 6-24 months







### Key Benefits of considering purpose looking beyond

- 1 Clarity on what the organisation does and stands for
- 2 Redefined business model, driven by purpose
- 3 Opportunity to optimise operating model

A crisis is also a helpful time to look at purpose, as extreme stress can help to unpeel the authenticity of stated purpose. Is it a company that lives its values? Does it batten down the hatches, or look outwards and support society? Does it retrench, or hold its nerve? Does it live the language on its website of how it treats its employees at a time when they, and the bottom line, are stressed?

# Companies reacting with purpose

We have already started to see companies react with purpose – addressing their services, employees and operating models. Businesses in the UK and worldwide have reacted to the crisis with a broad range of responses. To be clear, from the conversations and relationships we've had, we believe that most companies' leadership are not primarily looking for self-benefit in their response to the crisis: they are primarily doing this as 'it's just the right thing to do', 'it helps the war effort'. However, we can be confident that customers, employees and Government will remember which businesses were helping those in need, and which were more governed by self-interest.

Areas of support	Description
 <b>Financial donations</b>	Financial pledges and aid via funds and donations.
 <b>Community/Front Line Worker support</b>	Financial and in-kind support to those at the forefront of the public response to the crisis.
 <b>Adapting products and services</b>	Production lines are being altered to supply medical products and personal protective equipment (PPE) where demand outstrips supply.
 <b>Customer and supplier support</b>	Priority services are being introduced for vulnerable customers, and alterations made to provide flexibility for people at risk or under financial stress. Policies have been relaxed to support suppliers.
 <b>Raising awareness and upskilling</b>	A variety of advice, guidance and upskilling is being offered by businesses – often an important way of disseminating and implementing critical policies.
 <b>Employee support and redeployment</b>	Employees benefits/protocols are being revised to flex with the current working situation. Employees are also being redeployed from highly impacted industries to support healthcare services.

If activated with authenticity and strong communication, companies would see benefits in relation to:

- Strength of brand
- Customer relationships
- Employee engagement
- External stakeholder relationships.

See appendix for examples of companies reacting with purpose

# The crisis also provides opportunity to reimagine the future

It's hard to undertake significant change while still maintaining strong BAU performance. PwC helps to manage this every day in our transformation support work, and indeed have navigated this challenge for our own business.

- With BAU out of the window, and every implicit assumption already being challenged by such fundamental external disruption, shocks, there's an opportunity to think differently
- The crisis then – while not for a second understating its devastating impact on lives, families, communities and enterprises – does provide an opportunity to take stock, reset, and reshape an organisation in an image for the future.

- This may mean an opportunity to rethink, purpose-driven, organisational positioning, perception by stakeholders, but also a review of core offerings and delivery mechanisms, where virus-driven trends may suggest a longer term change (e.g. on virtual working or more contingent, de-globalised supply chain options)
- But equally it's a chance to identify areas of inefficiency, and really build a future state organisation – guided by purpose – with a much stronger, future-proof organisation, with more productive frontline delivery; and optimised workforce model, technology support and other supporting infrastructure.

## Case study: Banking post 2008

- The last remotely comparable event was the 2008 global financial crisis, with global and long-lasting economic shocks – but also positive stories
- Banks saw not only financial stress, but were also under intense scrutiny from the public, regulators and government. To weather this some businesses went **back to basics** – thinking about what they were principally there for – and looking to become more customer-centric.
- Banks that came out stronger had **more focus on the fundamentals** of retail banking and corporate banking rather than focus on more 'glamorous' services such as securitisation, that were more removed from end users
- The emergence of challenger banks (after 100 years of no new banking licences) saw not only new entrants to the market, but also pressure on incumbents to provide a better customer experience
- The major difference is that 2008 was a man-made, rather than natural, disaster – and with a less direct human cost. As such, any response to this crisis requires an even more careful and sensitive response, to be highly mindful of both economic and societal considerations.



# How can we support you in responding to COVID-19?



## Using Purpose to navigate the crisis

We can help you to:

- Identify key short term actions that make a difference to society's response to the crisis and align with your core competencies
- Communicate with purpose authentically, and identify key measures to protect and enhance your brand
- Adapt your ways of working and culture that supports your people in line with your purpose, and maintains productivity.



## Use purpose to baseline key transformation questions

We can help you to:

- Conduct the critical conversations to build out a vision of what the organisation could look like post-virus, using purpose as a starting point
- Work through key long-standing areas of pain and inefficiency that could benefit from a reset and begin to design an approach for addressing them – with purpose as a guide for key decisions
- Ensure that this is done informed by both your employees and your key external stakeholders.



## Support on COVID-19 crisis response

We can help you to:

- Link you in with PwC's wider services for managing business impacts of this coronavirus if you require it.



# Our support

Our team of **purpose experts** and subject matter **specialists** will support you in realising the value of purpose as you navigate the current crisis. Our multidisciplinary experts provide experienced **senior crisis leadership** and can draw on wider resources across PwC.

## Our experts:



### Brenda Trenowden, CBE

Partner  
Workforce, strategy and culture  
[brenda.trenowden@pwc.com](mailto:brenda.trenowden@pwc.com)

Brenda is a Partner in PwC UK's Workforce Strategy and Culture consulting practice and leads on Inclusive Culture, Diversity and Purpose. She brings a great deal of insight to her clients from her work with Chairs and CEOs around the world as Global co-chair of the 30% Club, a voluntary business-led campaign to improve gender balance. She also brings deep financial sector expertise from her 30 years of experience working in the world's largest financial institutions in North America, the UK, Europe and Asia.

Brenda was awarded a CBE in the Queen's Birthday Honours List for services to the financial sector and gender equality.



### Emma Cox

Partner  
UK Head of Purpose  
[emma.cox@pwc.com](mailto:emma.cox@pwc.com)

Emma is Head of Purpose for our UK firm and leads our Sustainability and Climate Change practice, with a team of over 100 UK based sustainability and climate change experts advising public and private sector clients in the UK and internationally on sustainability, development, urbanisation and climate change related issues. An engineer and accountant by training, she previously set up our structuring services practice and was Head of People for our Advisory business.

In addition to her Head of Purpose role, Emma has oversight of our internal corporate sustainability team, is a Trustee of the PwC foundation and was a founder member of PwC's Diversity council.



### Wallace Rosenberg

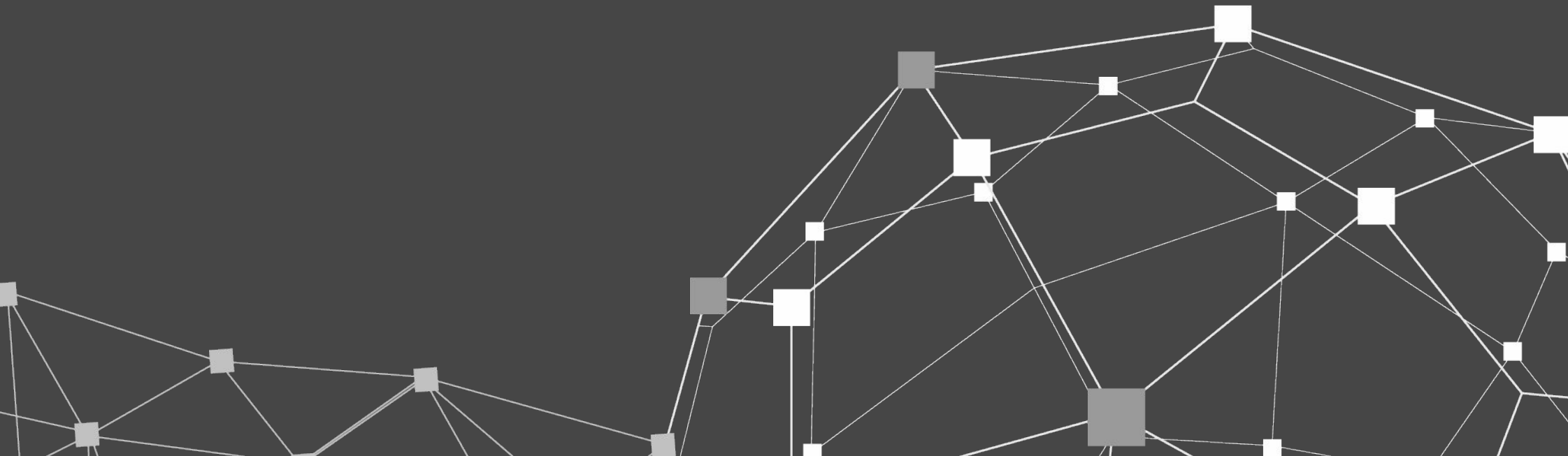
Senior Manager  
UK Purpose Client Lead  
[wallace.rosenberg@pwc.com](mailto:wallace.rosenberg@pwc.com)

Wallace is a strategy consultant with extensive experience of supporting organisational leadership teams with their decision-making around complex problems, and specifically helping corporates, public sector entities and charities succeed in both their commercial and societal objectives.



For the last 3 years he has provided in-house strategy support for the PwC UK Executive Board, looking at issues such as the firm's workforce of the future, technology strategy and key revenue growth priorities at a time of significant disruption to the professional services industry. He has supported the Board on its own purpose journey in that time, and is now supporting a number of organisations in considering their purpose and social impact.

# Appendix



Example strategy and operating  
model checklist, and functional  
considerations checklist





# Examples of the wide variety of responses to the crisis

	Consumer markets	Energy and utilities	Technology	Financial services
<b>Financial donations</b> 	<ul style="list-style-type: none"> <li>Kering donated to the Institut Pasteur to support its research into COVID-19</li> <li>Giorgio Armani donated \$1.43m to hospitals in Italy</li> <li>Carlsberg donated \$ 13.8 million to researchers</li> <li>H&amp;M has donated USD 500K to the COVID-19 Solidarity Response Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Vodafone Italy Foundation has donated €500,000 to support the Buzzi Foundation and Italian Red Cross</li> <li>BP donated \$2 million to the COVID-19 Solidarity Response Fund</li> <li>Chevron – \$12 million globally donated.</li> </ul>	<ul style="list-style-type: none"> <li>Salesforce created a \$1.5 million fund for affected citizens in San Francisco, donated \$1 million to UCSF's COVID-19 Response Fund and \$500K to the CDC Foundation's Emergency Response Fund</li> <li>Apple – donated \$7 million to efforts in China</li> <li>Netflix – donated £1m to BFI and the UK's film and TV charity to support freelance workers.</li> </ul>	<ul style="list-style-type: none"> <li>Standard Life Aberdeen donated £500K to communities in need</li> <li>RBS donated £50K to National Emergencies Trust</li> <li>Bank of America committed \$100 million in support of local communities</li> <li>HSBC donated £1m to National Emergencies Trust Coronavirus Appeal and British Red Cross.</li> </ul>
<b>Community/ frontline worker support</b> 	<ul style="list-style-type: none"> <li>Pret – free drinks to NHS workers</li> <li>Deliveroo – deliver 500K hot dishes to NHS Trusts</li> <li>Morrisons – distribute £10m worth of food to the UK's food banks</li> <li>LEON – takeaway and delivery meals to NHS workers with a 50% discount.</li> </ul>	<ul style="list-style-type: none"> <li>BP – providing free food to emergency services; free delivery of essential goods; free fuel cards to frontline</li> <li>Shell – 2.5 million litres of isopropyl alcohol free of charge for healthcare sector in Netherlands.</li> <li>SSE – meal drop to support the vulnerable; employee volunteering; £350,000 to support communities</li> <li>O2 – free 10GB for NHS staff; free access to important websites.</li> </ul>	<ul style="list-style-type: none"> <li>Facebook – \$100m in cash grants and ad credits to support small businesses</li> <li>Alibaba donated surgical masks and test kits to the Italian Red Cross</li> <li>CISCO – \$210 million in product to local and international health-care, education and government.</li> <li>Samsung – supporting NHS by donating 2000 devices and UV phone sanitising machines; prioritising delivery of equipment and services and; donating outdoor ad space.</li> </ul>	<ul style="list-style-type: none"> <li>Aviva – offering breakdown cover for NHS workers and free courtesy cars to any NHS workers, if their car is involved in an accident, plus priority repairs on motor claims</li> <li>SC – \$1bn at preferential rates for companies fighting COVID-19 (e.g. ventilators, masks, medicines, PPE etc)</li> <li>Al Rayan Bank – Priority services for frontline workers with a dedicated hotline.</li> </ul>

# Examples of the wide variety of responses to the crisis

	Consumer markets	Energy and utilities	Technology	Financial services
<b>Adapting products and services</b> 	<ul style="list-style-type: none"> <li>Burberry – repurposing its Yorkshire trench coat factory to make non-surgical gowns and masks</li> <li>Dyson – plans to make 15,000 ventilator devices</li> <li>Ford – make 50K ventilators within 100 days and plans to continue producing 30,000 per month</li> <li>Louis Vuitton – perfume production lines to start making hand sanitiser.</li> </ul>	<ul style="list-style-type: none"> <li>Shell – increasing production of isopropyl alcohol a key ingredient of hand sanitising liquids</li> <li>ExxonMobil – prioritising and maximising production of isopropyl alcohol.</li> </ul>	<ul style="list-style-type: none"> <li>Apple – released a new screening tool and set of resources to help people stay informed and take the proper steps to protect their health</li> <li>Amazon, Microsoft and Palantir are leveraging their respective data platforms, cloud computing capabilities and AI to help the NHS plan</li> <li>AirBnB – ‘frontline stays’ for responders/key workers.</li> </ul>	<ul style="list-style-type: none"> <li>The Royal Mint – mass manufacturing of medical visors to protect frontline NHS staff</li> <li>Bupa – sharing ventilators and supporting NHS with resources; passing on financial benefits of deferred treatments by offering a rebate to customers.</li> </ul>
<b>Customer and supplier support</b> 	<ul style="list-style-type: none"> <li>TESCO, Sainsbury and Iceland – dedicated shopping hour for elderly and healthcare workers; adjusted store timings; rationing sale of essential items</li> <li>Unilever – £436m (EUR 500m) of cash flow relief across its extended supply chain, including early payments to select small and medium suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>E.ON – flexible payments terms and no disconnection for non-payment for 3 months</li> <li>BT – flexible payment terms, no disconnection, free mobile and desktop app, free access to Cisco Webex</li> <li>AT&amp;T – unlimited internet data, non-termination, waiving late payment fees</li> <li>OVO Energy – £50m Hardship Scheme/Fund to support vulnerable customers.</li> </ul>	<ul style="list-style-type: none"> <li>Google – video conferencing service, Hangouts Meet, available for all G-Suite customers until July 2020; safeguarding users from phishing, conspiracy theories, malware and misinformation</li> <li>Lyft – Free hand sanitisers and cleaning supplies provided to drivers; suspension of shared rides; health and safety guidance for drivers and riders.</li> </ul>	<ul style="list-style-type: none"> <li>Barclays – Coronavirus Business Interruption Loan Scheme, waiving interest on all overdrafts, online system for mortgage holiday applications</li> <li>Lloyds – mortgage holidays customers; waiving interest on overdrafts up to £300 for all customers</li> <li>RBS/NatWest – dedicated support for vulnerable customers; emergency care line for NHS workers; payment deferrals; increasing credit card limits etc.</li> </ul>

# Examples of the wide variety of responses to the crisis

	Consumer markets	Energy and utilities	Technology	Financial services
<b>Raising awareness and upskilling</b> 	<ul style="list-style-type: none"> <li>Dixon Carphone – partnered with Age UK to deliver digital support to thousands of older people.</li> </ul>	<ul style="list-style-type: none"> <li>BT – resources for digital upskilling</li> <li>Thames Water – guidance and advice on customer health and safety</li> <li>United Utilities – guidance on good practices for hygiene and safety.</li> </ul>	<ul style="list-style-type: none"> <li>LinkedIn – 16 free learning courses on productivity, digital skills, remote working etc.</li> <li>Google – Safety tips; expanding Knowledge Panels for COVID-19 health advice, blocking phishing, malware etc.</li> <li>Microsoft – launched a coronavirus tracker on Bing</li> <li>Facebook – \$100m in news and fact checkers, guidance and tips for remote working, prohibiting exploitative ads.</li> </ul>	<ul style="list-style-type: none"> <li>NatWest – Useful guides, dedicated support line and information for those self-isolating for health or age related reasons</li> <li>HSBC – advice on managing and accessing money during the coronavirus virus outbreak and guidance on avoiding coronavirus scams</li> <li>Monzo – guidance on cyber fraud and COVID scams.</li> </ul>
<b>Employee support and redeployment</b> 	<ul style="list-style-type: none"> <li>Co-op – recruiting 5,000 extra staff and offering temporary employment to those who lost their jobs</li> <li>Whitbread – employees furlough kept on full pay.</li> <li>Lloyds Pharmacy – added 1500 staff and 406 pharmacy students to meet increasing demand</li> <li>Compass – bonus of 8% to 17% additional pay to all staff 7,800 staff redeployed to support NHS as ward hosts, hospital porters or cleaners.</li> <li>Virgin and EasyJet – redeploying flight attendants to NHS.</li> </ul>	<ul style="list-style-type: none"> <li>OVO Energy – health and safety guidance for employees and engineers</li> <li>BP – Providing workers with appropriate personal protective equipment, remote working arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Amazon – hiring 100,000 more workers; giving raises to current staff to deal with increasing demand; unlimited paid sick leave over the next month</li> <li>Microsoft – keep paying the hourly workers who support their campus.</li> <li>Google – COVID-19 fund for all temporary staff and vendors globally, to take paid sick.</li> </ul>	<ul style="list-style-type: none"> <li>Lloyds – suspended 780 planned job cuts across its bank branches</li> <li>Barclays – triple overtime pay to frontline staff</li> <li>Santander – established a temporary emergency paid leave program, offering up to 80 hours of paid time off for staff.</li> </ul>

# Common issues that many organisations are facing

**Our Crisis team brings the right expertise at the right time from across our global network to support you with your COVID-19 response and get clarity, control and confidence.**

## Crisis scenario planning and management

We are supporting clients to:

- lead their crisis response
- provide additional strategic and operational capacity to manage the crisis
- stand up and run a crisis PMO / war room
- produce detailed scenarios including 'reasonable worst case scenario' and assessing business impact
- use these insights as part of the replanning and modelling process

## Cashflow management and rapid cost reduction

We are supporting clients to:

- produce and review cashflow forecasts
- apply for Government funding
- identify the cost reduction levers available to the business to improve the liquidity position (e.g. cancel non essential orders, rationalise shifts or implement changes to working weeks)
- modelling changing customer needs and behaviours

## Workforce

We are supporting clients to:

- plan and reshape requirements, particularly during high levels of illness/absence periods
- develop approaches to employee engagement (e.g. remote working strategy)
- provide immigration support and advice
- assess the impacts of collecting and tracking employee data, against local data privacy legislation

## Employment and tax

We are supporting clients to:

- make critical decisions and communicate what this means to their employees
- consider their options for employees, including local Government funding (e.g. Coronavirus Job Retention Scheme in the UK)
- access tax reliefs and grants
- consider deferring pension contributions in order to preserve cash

## Business, technology resilience and cyber

We are supporting clients to:

- develop their approach to risk and controls (e.g. supervision and management)
- test the resilience and cyber risks of their enhanced IT infrastructure
- secure newly implemented or scaled remote working practices and ensure the continuity of critical security functions
- run contract reviews, including; assessing impacts of Force Majeure or Pandemic clauses and supporting commercial discussions and claims
- counter opportunistic threat actors

## Supply chain management

We are supporting clients to:

- reassess lead time and volatility to manage stock levels
- assess financial viability and other measures for critical suppliers
- manage risks of onboarding new suppliers
- assess assurity of supply and substitution options
- support in implementing contingency replenishment process and controlled intake

## Execution services and surge capacity

We are supporting clients to:

- deliver operations, including shared service centres, call centres and payments processing
- manage resource capacity issues as they deal with a peak in demand or fill resource gaps (e.g. providing additional call centre support for customers)
- provide additional resource to bridge resourcing gaps (e.g. critical roles)

## Regulatory and compliance

We are supporting clients to:

- tracking new regulatory changes (deadline changes as well as new rules), assessing impact and replanning
- assess and implement controls to mitigate against new risks created by new working environment
- investigate fraud and misconduct
- assessing regulatory permissions and policy exceptions

To find out how PwC UK is responding to COVID-19,  
please visit: [www.pwc.co.uk/COVID19businesscontinuity](http://www.pwc.co.uk/COVID19businesscontinuity)

For our latest insights and resources, please visit:  
[www.pwc.co.uk/COVID-19](http://www.pwc.co.uk/COVID-19)



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RITM3028206